GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:196
ANSWERED ON:01.08.2003
DISPOSAL OF DAMAGED FOODGRAINS
SUNDER LAL TIWARI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government have recently asked the Food Corporation of India (FCI) to dispose of the damaged foodgrains;

(b) if so, the details thereof;

(c) the estimated quantity of damaged foodgrains at present;

(d) the estimated loss incurred by the Food Corporation of India on this account; and

(e) the steps taken/being taken by the Union Government to improve the functioning of FCI?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF STARRED QUESTION NO.196 DUE FOR ANSWER ON (2003 IN THE LOK SABHA.

The Food Corporation of India (FCI) have been asked to dispose off the stocks ofdamaged foodgrains as cattle feed, `free of cost`, to the drought affected States and to sell the balance quantities to bonafide users, according to the prescribed procedure, not below the reserve prices determined for the purpose. The position of the stock of damaged foodgrains, as reported by the FCI (as on 30-6-2003) is as under:

Commodity	Quantity (MTs)
Wheat	18389
Rice	97696
Paddy	2008
Total	118093

2. Based on the difference between the economic cost of the foodgrains and the amount realised on the sale of damaged foodgrains, calculated at reserve prices, the FCI estimates aloss of about Rs.107.03 crore in respect of 1,18,093 MTs of damaged foodgrains available as on 30th June, 2003.

3. Several steps have been taken / are being taken to improve the FCI`s functioning, such as:-

(i) Reduction in the establishment cost;

(ii) Reduction in transit and storage losses;

(iii) Improved inventory planning to ensure adequate foodgrains stocks at the Depots in different parts of the country for the Targeted Public Distribution System and other Welfare Schemes;

(iv) Maintaining the quality of foodgrains procured, stored and issued;

(v) Speedy disposal of old and damaged foodgrains;

(vi) Strengthening of vigilance and security;

(vii) Increased focus on procurement in non-traditional States.